

ORIGINAL

Decision No. 81925

## BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Basic Materials )  
 Transport for authority to )  
 charge rates other than minimum )  
 rates in Minimum Rate Tariff 2 )  
 as provided in Section 3666 of )  
 the Public Utilities Code. )

Application No. 54322

INTERIM OPINION AND ORDER

By this application, Basic Materials Transport seeks authority, as a highway permit carrier, to deviate from the minimum rates and rules prescribed in the Commission's Minimum Rate Tariff 2 in connection with the transportation of split delivery shipments to be performed for Procter and Gamble Distributing Company (Procter and Gamble).<sup>1</sup>

Applicant states that the authority herein sought is the same as presently held by Thompson Brothers, Inc. but that it has been informed that Thompson Brothers, Inc. is discontinuing its contract operations for Procter and Gamble. Applicant plans to commence hauling for Procter and Gamble, under a continuing contract, the shipments now handled by Thompson Brothers, Inc.

Applicant points out that for many years the Commission has authorized single factor rates to be assessed on split delivery truckloads shipped by Procter and Gamble to retail dealers via contract carriers serving Southern California from the Long Beach distribution warehouse and serving Northern California from distribution warehouses at Sacramento and Modesto. Applicant declares that the shipper has established geographical delivery zones in marketing areas which are scheduled for delivery, usually once each week, and that the rate base is the total mileage from origin to

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<sup>1</sup> The charges to be assessed and services proposed to be performed are set forth in Appendix A attached to the application.

all points in the delivery zone, as defined in the hauling contract. Added to the base rate is the average split delivery charge stated in cents per hundred. Applicant believes the transportation proposed under this rate basis will be profitable in that the charges will be not less than the total charges computed at rates set forth in Minimum Rate Tariff 2.

Applicant requests interim authority in this matter in order that it may undertake to perform the transportation services involved as soon as possible.

The certificate of service shows that a copy of the application was mailed to California Trucking Association and other interested parties on September 14, 1973. The application was listed on the Commission's Daily Calendar of September 17, 1973. No objection to the granting of the application has been received.

Subject to further review upon consideration of evidence which may be adduced at a public hearing, it appears, and the Commission finds that the rates and provisions sought herein are reasonable for the transportation to be performed by Basic Materials Transport. In view of the existing conditions, the Commission concludes that Basic Materials Transport should be granted interim authority for a period of six months. A future hearing will be scheduled in this proceeding.

IT IS ORDERED that:

1. Basic Materials Transport is hereby authorized to assess a charge for split delivery service less than the minimum charges otherwise applicable, and to depart from the provisions of the minimum rate orders otherwise applicable, as more particularly set forth in Appendix A attached hereto and by this reference made a part hereof.

2. The authority granted herein shall expire six months after the effective date of this order.

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3. A public hearing shall be scheduled in this proceeding for the receipt of evidence on this application.

This order shall become effective on the date hereof.

Dated at San Francisco, California, this 25<sup>th</sup> day of September, 1973.

Vernon L. Sturgeon  
President  
William J. Sturgeon, Jr.  
William J. Sturgeon, Jr.  
William J. Sturgeon, Jr.  
William J. Sturgeon, Jr.  
Commissioners

## APPENDIX A

Basic Materials Transport is authorized to assess a charge for split delivery service less than the minimum charges otherwise applicable and to depart from the provisions of the minimum rate orders otherwise applicable for Procter and Gamble Distributing Company from Sacramento and Modesto to points in California to the extent hereinafter indicated:

1. The carrier is authorized to apply an additional charge of 50 cents per 100 pounds on shipments originating at Sacramento and 68 cents per 100 pounds on shipments originating at Modesto in lieu of the split delivery charge set forth in Item 173 of Minimum Rate Tariff 2. This charge shall be made in addition to the line haul rate.
2. There shall be no limitation on the number of split delivery components included in a shipment.
3. The carrier is not required to apply the additional mileage provisions set forth in Exception 1 to subparagraph 1 of paragraph C of Item 171 of Minimum Rate Tariff 2.
4. The carrier is authorized to make collect on delivery (C.O.D.) shipments part of split delivery shipments.
5. All other provisions of Minimum Rate Tariff 2 shall apply.
6. The total charges assessed by the carrier during the period of this deviation authority shall not be less than the charges which would be assessed if the rates and charges of Minimum Rate Tariff 2 were applied.

(END OF APPENDIX A)